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Report of the Executive Board of the United Nations Children's Fund on the work of its 2006 first regular session

(16-20 and 23 January 2006)*

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I. Organization of the session

A. Election of officers

1. The Executive Board elected as President H.E. Mr. Andrei Dapkiunas (Belarus) and as Vice-Presidents H.E. Mr. Roble Olhaye (Djibouti), H.E. Mr. Iftekhar Ahmed Chowdhury (Bangladesh), H.E. Mr. Ernesto Aranibar Quiroga (Bolivia) and Mr. Dirk-Jan Nieuwenhuis (Netherlands).

B. Opening statements

2. The President said that December 2006 would mark the sixtieth anniversary of UNICEF, although this "sixty-year old guardian of the world's children [showed] no sign of indecision, tiredness or frailty". The deletion of the word "emergency" from the Fund's original name did not affect its ability to respond forcefully to the hardships and suffering of children caused by natural or man-made calamities, or the "social and economic order of things in our world". He hoped to work with the Board to further refine its good traditions and best practices.

3. The Executive Director said that as it entered its sixtieth anniversary year, UNICEF looked back to a long record of successes for the world's children, but also must continue to make bold changes to meet its current needs and new realities. She reviewed some of her major activities since the Board's last meeting, including the "Countdown to 2015" conference, in London, which had taken stock of child survival in the two years since the *Lancet*'s series on that subject.

4. The message in London was that progress towards increasing child survival around the world had been unacceptable. She had challenged the participants to focus on three broad areas to accelerate progress: integration of service delivery; scaling up of proven successes such as the Accelerated Child Survival and Development programme in West Africa; and renewed commitment to partnerships. But above all, there must be a focus on measurable results. The Millennium Declaration and Development Goals provided a roadmap for achieving meaningful results for children over the next 10 years.

5. The outgoing President, H.E. Mr. Mehdi Danesh-Yazdi (Islamic Republic of Iran), said that the Executive Board had made good progress on many fronts in 2005, especially the adoption of the medium-term strategic plan (MTSP) for 2006-2009. The Board's attention must now turn to the successful implementation and monitoring of the plan on the ground. The work of the Board and UNICEF must continue to be inspired and improved by the global commitment to meeting the Millennium Development Goals.

C. Adoption of the agenda

6. The Executive Board adopted the agenda, timetable and organization of work (E/ICEF/2006/1) for the session.

7. In accordance with rule 50.2 of the rules of procedure, the Secretary of the Executive Board announced that credentials had been submitted by 39 observer delegations, Palestine, 3 United

Nations bodies, 4 intergovernmental organizations, the Standing Group of National Committees for UNICEF and one other entity.

II. Deliberations of the Executive Board

A. Annual report of the Executive Director to the Economic and Social Council

8. The Director of United Nations Affairs and External Relations introduced the annual report to the Economic and Social Council (E/ICEF/2006/3). The Executive Director said that she was personally committed to the goals highlighted in the report and, for example, had encouraged qualified UNICEF staff to take the resident coordinator assessment course and had proposed the creation of a senior-level adviser on United Nations reform within her own office. UNICEF was working with the United Nations Secretariat on reform issues, and in areas where the Secretariat had already acted, such as financial disclosure and protection of whistle-blowers, UNICEF was working to ensure that its procedures were consistent with those of the United Nations. As stated in the report, the work of UNICEF in the coming year demanded a willingness to question previously held assumptions, all with the goal of producing quantifiable results in the best interests of children.

9. In addition, the Board also had before it an information note on activities of the Joint Inspection Unit (JIU) of relevance to UNICEF (E/ICEF/2006/4). During the reporting period, September 2004 through September 2005, there were five such reports, which were available on the JIU website.

10. Overall, delegations found the report to be clear, comprehensive and concise. Some stated that the report could benefit from a stronger analytical focus with information on challenges encountered, and that future reports should be more strategic in their focus. Delegations asked for more detailed information on results, and the contribution that those results made for children. It was said that more information on the human rights-based approach, including on relevant training, would be useful in future reports. Speakers also stressed the importance of capacity-building in achieving results for and empowerment of children.

11. Responding to concerns over the low number of UNICEF staff serving as resident coordinators, the Director reiterated that the Executive Director has made this a priority for the organization through both personal appeals and in communications to the field. Acknowledging the benefits of experience gained in serving as a resident coordinator, the Director stated that all candidates must complete the competency assessment, which was costly. A total of 11 UNICEF staff had served as resident coordinators and today, six staff were serving as resident coordinators, two as Deputy Special Representatives of the Secretary-General and an additional two had been recommended by the Administrator of the United Nations Development Programme (UNDP) for resident coordinator posts.

12. Several delegations focused on gender aspects of UNICEF work. One found that gender equality was important not only as a goal in itself but a prerequisite for reaching the Millennium Development Goals, and therefore it was important not only to integrate gender concerns into

programming, but to report on results in this area. Responding to questions concerning the timeframe for the gender evaluation, the secretariat explained that the terms of reference were being developed, and a Steering Committee, chaired by Rima Salah, Deputy Executive Director, had been established. The process would start with an internal review in fall 2006, with the independent evaluation completed by summer 2007. The report would then be presented to the Executive Board.

13. Two delegations said that there had been great progress in United Nations reform and it was now important for UNICEF to increase its engagement in the poverty reduction strategy process. An even greater commitment to a unified system was important, and the secretariat was asked about key result areas to this end, with a timeline.

14. Members of the Latin American and Caribbean Group of States asked that greater efforts be undertaken to focus on gang-related activities and requested that there be joint action among the United Nations agencies on this growing phenomenon. Although the region had made significant progress, it was not a homogeneous "middle class" region; while some countries had made progress in terms of social indicators, in others, poverty had not declined, resulting in increased inequities.

15. The African Group of States emphasized the issue of capacity-building, especially the building of institutions. All of the support would take place in the context of the Millennium Development Goals and some specific concerns meriting UNICEF support included demobilization of child soldiers, HIV/AIDS and education, particularly for gender parity in rural areas.

16. A number of delegations commended the work being done on female genital mutilation/cutting (FGM/C) and child marriage, and asked how the non-coercive approach being adopted differed from previous approaches. Explaining the good progress made on FGM/C, the secretariat said the progress could be attributed to the fact that the Innocenti Research Centre had developed a strong partnership with Islamic scholars.

17. A number of delegates commended UNICEF for its increased collaboration with United Nations agency partners, including the United Nations Development Fund for Women. Delegations also expressed satisfaction with recent partnership initiatives, including the United Nations Girls' Education Initiative (UNGEI), the Partnership for Maternal, Newborn and Child Health, and the *Unite for Children, Unite Against AIDS* campaign.

18. Responding to queries about the decision on a second joint country office, the secretariat stated that in principle there should be two or three additional offices. The United Nations Development Group (UNDG) was in the process of identifying new countries.

19. Other comments concerned the proposed United Nations reform unit, in the Office of the Executive Director, which would address both broader reform and organizational challenges in examining challenges facing the organization, inside and outside; follow-up to the General Assembly Special Session on Children; and the usefulness of the orientation session for Board members organized by the secretariat.

20. The Executive Director said in closing that the focus of UNICEF was on results for children, and the Fund would continue its commitment to child protection, including trafficking, FGM/C and child marriage.

21. The Executive Board took note of both reports. The President stated that a summary of the comments made during the discussion would be submitted to the Economic and Social Council for consideration at its 2006 substantive session, together with the report to the Council itself.

B. Approval of revised country programme documents

22. The President stated that in accordance with decision 2002/4, the Board had commented on the draft country programme documents (CPDs) and approved the aggregate indicative budgets for 27 country programmes at the annual and second regular sessions of 2005. The draft CPDs were then revised, taking into account, as appropriate, comments made by delegations during that session, and a summary results matrix was added. The revised CPDs were posted on the UNICEF website by 1 November 2005. Decision 2002/4 also stated that the revised CPDs were to be approved by the Executive Board at the current session on a no-objection basis, unless five members informed the secretariat in writing, by 12 December 2005, of their wish to bring any country programme before the Board. He had been informed by the secretariat that no such comments were received.

23. Therefore, the country programme documents were approved for the Islamic Republic of Afghanistan, Albania, Bangladesh, Belarus, Bulgaria, Burkina Faso, Cambodia, Cape Verde, Chad, China, Democratic Republic of the Congo, Georgia, Ghana, Guyana, Indonesia, Liberia, Myanmar, Namibia, Peru, Swaziland, Timor-Leste, Turkey, Uganda, Ukraine, Viet Nam, Russian Federation and Palestinian children and women in Jordan, Lebanon, the Occupied Palestinian Territory and Syrian Arab Republic.

24. The delegations of Belarus, China, Russian Federation and Viet Nam expressed their appreciation for the cooperation with UNICEF and the fact that the CPDs were in line with national priorities and goals. The delegation of Viet Nam welcomed the introduction of the Common Country Assessment and United Nations Development Assistance Framework as part of the overall simplification and harmonization efforts of United Nations reform, saying that these efforts had produced tangible results.

25. Another delegation said that by approving the common country programme document for Cape Verde, the Executive Board would be acting only on those elements of the document relating to UNICEF. His delegation would provide more detailed comments on the overall planning framework for common country programmes at the session on simplification and harmonization of the joint meeting of the Executive Boards of UNDP/United Nations Population Fund (UNFPA), UNICEF and World Food Programme (WFP).

C. Biennial support budget for 2006-2007

26. The Executive Board had before it the proposed biennial support budget for 2006-2007 (E/ICEF/2006/AB/L.1 and Corr.1) and the report of the Advisory Committee on Administrative and Budgetary Questions (E/ICEF/2006/AB/L.3 and Corr.1). The budget was introduced by the Deputy Executive Director, Mr. Toshiyuki Niwa, and the Comptroller.

27. Overall, delegations commended the secretariat for the improvements on the presentation of the budget document and for the informal pre-session briefings on the budget. Several delegations welcomed the progress made on results-based management and budgeting, as well as on the ongoing work with funds and programmes on harmonization. The proposals to establish a separation fund and to segregate the centrally-shared security costs into a separate appropriation line were supported, although some delegations continued to express concern that global security costs were not borne under the regular resources of the United Nations.

28. The Deputy Executive Director informed the Board about the work being carried out with respect to United Nations reform, including joint programming, joint offices and common services. The unit on United Nations reform proposed in the budget would be responsible for coordinating the reform process and all related activities within UNICEF carried out by various divisions and offices. A strategy document on the UNICEF position on United Nations reform that had been drafted for internal review and communication could be shared with interested delegations once finalized.

29. Concerning global security costs, he said that UNICEF shared the views expressed by delegations with regard to funding from United Nations regular budget. This view had been communicated by the former Executive Director to the Fifth Committee of the General Assembly in 2004 on behalf of all the funds and programmes. However, UNICEF was obliged by General Assembly resolution 59/276 of 23 December 2004 to include provision for United Nations-mandated security costs in its support budget. With regard to cost recovery, the United Nations agencies had harmonized their principles and terminology but there was no agreement on a single rate due to differences in the cost structure and operational approach of each agency. The Executive Director had indicated in her opening statement that UNICEF needed to expand the opportunities to maximize partnerships to achieve results for children while ensuring that its costs were recovered, and in this context, the report on the cost recovery policy would be presented to the Board at the annual session in June.

30. To questions about headquarters posts and the "post pyramid", the Comptroller said that the total number of posts had grown by 2.9 per cent compared to the growth in total resources of 30 per cent between the 2004-2005 and 2006-2007 bienniums. Recruitment for each new post would follow the standard review process in accordance with United Nations staff rules and regulations. The proposed 39 new posts at headquarters would strengthen core capacities to support achievement of the Millennium Development Goals and the focus areas of the MTSP; United Nations reform; humanitarian response; human resources; stress counseling; HIV/AIDS in the workplace; and conversion of consultancies and temporary assistance in the Information Technology Division to support investment projects approved in the previous biennium. On the increase in posts at the P-5

level and possible imbalance in the staffing structure, he said that UNICEF was maintaining the pyramid of post structure and average grade level at 4.2 while following the professional classification standards of the International Civil Service Commission that were applicable to all United Nations organizations.

31. The Comptroller said that the additional post for a stress counsellor was consistent with other large organizations such as the United Nations Secretariat, the Office of the United Nations High Commissioner for Refugees, UNDP and the World Bank. The stress counsellors also provided support to other agencies in-country and during field visits for mutual benefit.

32. On the management of a large number of retirements, he said that UNICEF was addressing the issue through succession planning, facilitating inter-agency mobility, encouraging junior professional officers and increasing mid-career recruitments.

33. The request for an interim allocation for January 2008 was intended to avoid having to put the item in the Board's agenda for September 2007, he said. If the timings of the programme review changed, it was possible that the support budget could be submitted to the September Board session. If that occurred, the one-month allocation would not be used.

34. A number of delegations asked about the linkage between the support budget and the strategic priorities and results of the MTSP. The Comptroller said that the linkage was ensured through the decentralized review of country programme management plans and office management plans, which had been institutionalized both at headquarters and in the field. The review process also ensured that personnel and support costs were fully justified based on programmatic needs, strategies and related interventions.

35. To questions about the budget categories of programme, programme support, and management and administration, the Comptroller explained that the categorization of costs based on an organizational-unit basis had been approved by the Executive Boards of UNICEF and UNDP/UNFPA following extensive discussions in 1996 and 1997 for practicality and simplifications as a result of cost/benefit considerations. To do otherwise would have required the design, implementation and administration of an individual staff time recording and reporting system, which was considered too expensive considering the intended purpose. The Board's decision on the cost categories was also one of the first concrete steps towards harmonization between the three agencies and had been a consistent model, which other organizations had begun to apply.

36. Within the programme category, which represented 65 per cent of the use of regular resources and 83 per cent of the total resources administered by UNICEF in 2006-2007, there were three components: supplies; cash assistance to Government; and technical expertise (in the form of staff and consultants). The shares between the three components were negotiated with national counterparts and planned in advance in country programme annual work plans. On the question asked by the Advisory Committee on Administrative and Budgetary Questions concerning the inclusion of technical expertise, the view of UNICEF that this was an indispensable component of programmes was shared by other United Nations organizations.

37. The Comptroller said that regular resources were expected to continue to grow at 3 per cent per year over the next biennium, although the proportion of regular to total resources was expected to continue to decline as other resources saw continued growth. The allocation of regular resources to programme countries was based upon the formula approved by the Executive Board, and the way those resources was used was decided between the UNICEF country office and the Government.

38. See chapter III, decision 2006/2 for the text of the decision adopted by the Executive Board.

D. Intercountry programmes

39. The proposal on intercountry programmes (E/ICEF/2006/P/L.1) was introduced by the Director, Programme Division.

40. Asked why the support budget was being discussed in the same context as the 'intercountry programmes', the Director explained that beginning in 1999, as a result of the harmonization of the budgets of UNICEF, UNDP and UNFPA, the budgets for programme development and advocacy were presented separately from the support budget. The term 'intercountry programmes' was adopted for all three agencies. In UNICEF, it denoted the other resources ceilings that allow it to accept other resources funding that did not fit more appropriately under any other Board-approved ceiling.

41. To a question about the amount of funding obtained within the intercountry programme ceiling of $302 million over the last biennium, the Director said that approximately $158 million had been received, which constituted less than 10 per cent of total receipts of regular (non-emergency) other resources, and which had been allocated to headquarters offices, regional offices and intercountry programmes (mostly country offices) in a ratio of 4:2:3, respectively.

42. The Executive Board approved the recommendation (see chapter III, decision 2006/1).

E. Report on thematic funding in support of the medium-term strategic plan

43. The report (E/ICEF/2006/9) was presented by the Director of the Programme Funding Office, who provided background, financial trends to date and a briefing on how the thematic funding modality would be operationalized under the MTSP. A total of $774 million in thematic funding had been received as of 31 December 2005.

44. A number of delegations expressed strong support for the thematic funding modality as a way to achieve improved results, lower transaction costs and operate in a more strategic manner. However, a few speakers emphasized the need to ensure that thematic funding did not detract from regular resources. Several delegations expressed concern about the fact that the thematic area of young child survival and development, with its sizable financial share, was broken down into additional areas of nutrition, water and environmental sanitation, immunization and malaria. The delegations suggested instead that the funding areas should correlate directly with the focus areas of the MTSP. The Executive Director subsequently confirmed that UNICEF would continue with the proposed five

themes that corresponded exactly to the focus areas of the MTSP, plus humanitarian response. Any proposed change would be presented to the Executive Board.

F. UNICEF health and nutrition strategy

45. The report on the proposed joint health and nutrition strategy (E/ICEF/2006/8) was introduced by the Director, Programme Division. He said that the proposed strategy defined the UNICEF contribution to national efforts to accelerate health and nutrition action to achieve the Millennium Development Goals by 2015 through evidence-based situation analysis for policy and action; the development of enabling institutional frameworks; and the large-scale acceleration of effective coverage of interventions supporting Goals 4 and 5.

46. Several delegations commended UNICEF for the extensive consultation process used in developing the strategy. Some said they would like to see the strategy framed more explicitly to support implementation of the MTSP. There were questions regarding how UNICEF would reconcile a 10-year strategy with new scientific developments and evidence. UNICEF was encouraged to develop processes whereby the strategy could be updated. Delegations stressed that they would like to see the strategy monitored in the framework of the MTSP results matrices.

47. Several delegations urged UNICEF to ensure country ownership, community empowerment and gender equality at all stages, from planning to implementation, monitoring and evaluation. UNICEF was encouraged to exploit synergies with other supporting strategies such as those for water, sanitation and hygiene, and education. It was expected that UNICEF would strengthen its capacities to ensure effective implementation.

48. Several delegations expressed concern that the strategy did not sufficiently address food security, family planning and reproductive health, particularly in adolescents, and the role of men. They would like to see those issues more explicitly addressed when the strategy is implemented.

49. Two delegations emphasized the importance of the role of parents and families in providing guidance and direction on sexual and reproductive matters, education and other critical aspects of children's lives. One delegation noted its understanding that nothing in the strategy constituted support, endorsement or promotion of abortion or the use of abortifacients.

50. UNICEF was encouraged to promote a strengthened role for national Governments and national health systems as necessary elements for sustainability of high-impact health and nutrition interventions. Speakers also encouraged UNICEF to strengthen its interaction between upstream, policy-level work and the level of field implementation, and to play a more proactive role in promoting strengthened engagements by partners and multisectoral involvement at country level.

51. The Assistant Director General of the World Health Organization (WHO) conveyed the strong support of WHO for the health and nutrition strategy, stressing that its principles, strategic direction and implementation approach were also reflected in the WHO strategic directions for child and

adolescent health. The complementarity of the UNICEF joint strategy would further reinforce global efforts in health and nutrition in different areas in additional to technical work.

52. See chapter III, decision 2006/3 for the final decision adopted by the Executive Board.

G. UNICEF humanitarian response to recent crises: oral report

53. In her introductory remarks, Deputy Executive Director Rima Salah said that the South Asian earthquake that struck Pakistan, India and the Islamic Republic of Afghanistan in 2005 had once again highlighted children's particular vulnerability.

54. The Director of the Office of Emergency Programmes emphasized the devastating toll of the South Asia earthquake, which had left at least 74,000 dead and millions homeless. Children were among the most affected, with 1.6 million to 2.2 million affected in Pakistan alone. The logistical challenge of responding to the massive destruction, where entire villages had been wiped out, was Herculean.

55. The response benefited from the strong leadership of national authorities and from the longstanding presence of UNICEF in the affected countries, which allowed the organization to mobilize staff, resources and supplies quickly and to call upon existing good partnerships with government and other agencies.

56. Among the achievements of the relief effort was the immunization of more than 1 million children against measles, and nearly 500,000 against polio. Nearly 90 per cent of planned water needs were met, and more than 9,600 latrines had been built. The most pressing need today was to protect the 1.6 million affected children from the winter cold and the attending threat of disease. With the support of National Committees for UNICEF, UNICEF was able to distribute 110,000 winter clothing kits and half a million blankets for children living above the snowline. He also outlined key results in India.

57. UNICEF was co-leading the technical cluster response in water and sanitation, protection, education and data communication, and was working jointly with WFP in the food and nutrition cluster. He noted that this was the first effort to implement the cluster approach agreed by the Inter-Agency Standing Committee (IASC). A number of lessons had been learned, which were described in the background document circulated to the Board.

58. Innovations contained within the cluster approach needed to improve actual delivery on the ground. Improved coordination would require flexibility at the field level, as well as dedicated resources for implementing agencies.

59. Virtually all delegations voiced questions and concerns about the cluster approach, and there was a clear call for UNICEF to provide regular updates on its implementation, as well as on recruitment and staffing and United Nations reform more generally. Several delegations said the

cluster approach added value to humanitarian response. Other delegations requested more detailed analysis of the advantages and drawbacks.

60. Several delegations highlighted the challenge of coordinating a cluster response, particularly in situations where agencies mandated to take the lead in a cluster were not present on the ground. Delegations also inquired about potential consequences for UNICEF in cases where it did and did not lead. Speakers requested more information on cluster-lead work plans and emphasized the need to have linkages among the strategies in each of the UNICEF technical clusters.

61. Delegations also asked about any lessons learned from the cluster approach in the South Asia earthquake response (particularly in the areas of deployment of staff and of water and sanitation) and whether there would be a real-time evaluation of the UNICEF response. One speaker requested clarification on the UNICEF interpretation of "provider of last resort", and asked how UNICEF would address the issue of organizational capacity in light of this and other elements of the cluster approach. A few delegations underscored the importance of partnerships, and requested further information on the division of labour between UNICEF and other actors such as the International Committee of the Red Cross (ICRC).

62. The Director noted that important lessons had also emerged from other crises in 2005. He highlighted the extraordinary generosity of both private and public donors and thanked Member States for helping to ensure that overall income for emergencies increased in 2005, and not only for the tsunami response.

63. The Director said it was clear that substantially increased and rapid funding was needed for countries in transition, such as the Islamic Republic of Afghanistan, Liberia and Sudan. UNICEF had been involved in the post-crisis process in many countries and had worked closely with the UNDG on elements of a transition strategy. The organization would report in detail on this issue at the annual session.

64. UNICEF had improved its emergency surge capacity, thanks to support from the European Commission Humanitarian Office and other donors, and had improved internal systems for emergency placement.

65. Delegations thanked UNICEF for its strong emergency response in 2005. Those delegations whose countries had experienced disasters in 2005 were particularly appreciative of UNICEF assistance.

66. Several speakers highlighted the importance of national capacity in disaster prevention and response, with delegations from several disaster-prone nations requesting further capacity-building assistance.

67. Questions were also posed regarding funding, including how UNICEF would make use of the upgraded Central Emergency Response Fund (CERF), and where the organization was most likely to require emergency funding in 2006.

68. In his response, the Director acknowledged that UNICEF had been overstretched in 2005 due to the number and scale of emergencies worldwide and was working to expand its standby capacity. Predictions of the most urgent crises in 2006 would very likely include Sudan, the Democratic Republic of the Congo, the Horn of Africa, the Southern Africa triple threat, including drought and HIV/AIDS, malnutrition in the Sahel region, and Avian influenza. The situation in Côte d'Ivoire was also of serious concern.

69. Regarding funding, the Director emphasized that funds from the expanded CERF were not yet available. UNICEF had been the largest borrower from the CERF in terms of amount, but had an excellent record of paying back. UNICEF intended to use the grant facility under the CERF when it became available. However, additional funding was essential. Half of the UNICEF 2005 appeals were funded by less than 50 per cent. UNICEF had already borrowed money from the CERF in 2006 for Sudan, so the organization would certainly need support for that country.

70. UNICEF was well aware of the need to have linkages between technical strategies in the cluster approach, and the relevant clusters in UNICEF had shown strong commitment to the approach.

71. The cluster approach allowed the humanitarian community to be more strategic, and sectoral strategies were a tremendous 'plus'. The cluster approach also allowed mapping of areas not reached by any one actor, and therefore led to fewer gaps in services.

72. Regarding partnerships, the Director noted that protection, in particular, was a very large sector. UNICEF worked very closely with the ICRC, but there was no overall protection focal point in Pakistan.

73. The humanitarian community was learning by doing with the cluster approach, but the idea was not to change a system that already worked. In Uganda, for example, it was decided to go with a country-level assessment of 'who could do what'. The cluster approach did not aim to change coordination arrangements for their own sake but rather to improve performance.

74. Responding to questions about lessons learned, the Director said that the Office for the Coordination of Humanitarian Affairs was organizing a system-wide evaluation of the cluster approach, and that UNICEF would participate. As to work plans, the cluster approach should be written into emergency appeals.

75. Regarding national capacity, the South Asia earthquake and the Indian Ocean tsunami were examples that showed clearly the importance of national capacity in mitigating and responding to disasters. Countries' investments in preparedness had paid off.

76. One lesson learned in the area of water and sanitation was the importance of hygiene and behavioural change. All of these lessons, learned in the tsunami, were applied in the Pakistan emergency.

77. A real-time evaluation would be done for Pakistan but only after completion of the United Nations system-wide evaluation of the cluster approach and possibly on an inter-agency basis.

78. Regarding the UNICEF interpretation of 'provider of last resort', the Director said that this accountability would pose an enormous challenge for UNICEF and that the organization would need to increase its technical capacity, standby capacity and deployment systems in order to meet this challenge.

H. UNICEF water, sanitation and hygiene (WASH) strategy

79. The Director, Programme Division, presented an overview of the proposed strategy for 2006-2015 (E/ICEF/2006/6 and Corr.1), emphasizing the critical importance of WASH for children. Inadequate and unsafe water, poor sanitation and unsafe hygiene practices were linked to numerous diseases killing children and hindering development. WASH was an important prerequisite for keeping children, especially girls, in school.

80. Since 1990, more than 1 billion people had gained access to improved drinking water and sanitation services; however, 2.6 billion people still did not have improved sanitation facilities, and 1.1 billion were using water from unsafe sources, a problem especially prevalent in sub-Saharan Africa, where coverage was low.

81. The strategy was widely endorsed by delegations. Several delegations from programme countries expressed their appreciation for UNICEF work in this area, stating that the WASH strategy was in line with their national strategies. Many speakers stressed that improvements in WASH affected development goals in many other critical areas, including health, nutrition, gender equity and education.

82. Delegations asked for clarification on a number of issues, including the managerial aspects of the strategy, particularly regarding its sustainability and participatory nature. Concern was raised about a reduced focus on the environment, with several delegations highlighting issues such as the importance of addressing ecological sanitation options and the depletion of aquifers and freshwater sources worldwide.

83. Three delegations emphasized the importance of involving national Governments in implementation and requested support for their own proactive efforts to address drought and natural disasters overall. Speakers also stressed the importance of decentralization and involving civil society to include the most vulnerable parts of the population in rural areas. A few delegations underlined the importance of monitoring water quality.

84. Most speakers voiced strong support of the human rights-based approach for the strategy and for reaching the Millennium Development Goals. One delegation raised a concern about this approach, citing a need for evidence of its efficiency and saying that it was preferable to discuss more practical steps, such as regulatory frameworks and viable financing mechanisms. A number of

speakers inquired how UNICEF planned to meet the funding the target of $250 million by 2015 through efforts to mobilize other resources.

85. More information was requested on emergency coordination, the impact of conflict on existing programmes and partnerships, and UNICEF plans for the transition from short-term emergency assistance into long-term sustainable development programmes.

86. The Director, Programme Division, replied that information on partnerships would be included in future reports. Regarding emergencies, the two-year work plan of the IASC could be made available to delegations upon request. UNICEF would work with the World Bank and UNDP on a report on transition for the annual session. Planned increases in WASH expenditures would be funded from the thematic window as well as by other resources and support for emergency assistance efforts.

87. UNICEF had forged alliances with Governments and other partners, for example, the World Wildlife Fund, to link environmental issues to child health and sustainable development. Work continued with other United Nations agencies, and UNICEF was an active member of UN-Water. UNICEF also led worldwide monitoring of 14 of the 55 Millennium Development Goals, partly in cooperation with the WHO.

88. Several delegations focused on the new partnership being formed between UNICEF and the Water Supply and Sanitation Collaborative Council.

89. See chapter III, decision 2006/4 for the final decision adopted by the Executive Board.

I. UNICEF education strategy: oral report

90. The Director, Programme Division said that the operational environment for education had become increasingly complex and challenging. Around 100 million children, mainly girls and in Sub-Saharan Africa and South Asia, were out of school and quality remained a general problem. Major threats were posed by poverty, drought, conflict, food insecurity, HIV/AIDS, disasters and political instability. At the same time, the evolving architecture for development support would have an impact on the role of UNICEF as a partner in education.

91. The strategy would emphasize national leadership and aligned/harmonized support; inclusive, efficient and sustainable education systems; safeguarding the vulnerable; and investing in acceleration approaches. Capacities in terms of staffing profiles and staff numbers across the organization would be reviewed and overhauled to strengthen the vital niche competencies and the comparative advantage of UNICEF in education. The strategy would also stress mutual accountability and management for results.

92. Based on experiences with UNGEI, the World Bank Fast Track Initiative and emergency situations, the UNICEF supporting strategies would lay out a typology for intensity of support that reflected the different requirements to meet the Millennium Development Goals. This would include: (a) countries where special effort was needed to increase the numbers of girls staying in school;

(b) countries requiring a package for emergency response; and (c) countries appropriate for support to sectoral development and reform.

93. The strategy would be guided by the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women; build on good practices and advocate for scaling up; and use the intersectoral approach and the principle of reciprocity across sectors. Strategic tools and models would be used for efficient implementation, including mainstreaming proven models ("child-friendly" schools, custom packages, etc.) and advocating for partnerships around bold initiatives.

94. The strategy would support country leadership, strengthen local institutions and advocate for building efficient partnerships to serve national interests. It would be based on an extensive consultative process involving UNICEF staff; countries, regions and donor partners; other United Nations agencies and key partners; evaluation bodies and centres of excellence; and Executive Board members.

95. Delegations expressed their commitment to participating in the consultation process for elaborating the strategy. The strategy should be clearly linked to the MTSP and its targets and adequately reflect key international agreements and initiatives, including the Millennium Development Goals, the Convention on the Rights of the Child and the broader Education for All (EFA) agenda.

96. UNICEF was commended for its guiding principle of good partnership and its policy of rights-based programming, as well as the principle of country leadership. Delegates urged UNICEF to clarify its comparative advantages in education while clearly defining its role in relation to that of other key actors at international and national levels. In particular, several delegations stressed the importance of UNICEF strengthening its collaboration with other United Nations agencies working in education, and most specifically the United Nations Educational, Scientific and Cultural Organization, with its mandate in the EFA process, and the World Bank. UNICEF should maintain and increase its international advocacy role, while allowing partners such as the Forum for African Women Educationalists to assume this role at regional/national levels. UNICEF should also be explicit about how to work with civil society to achieve its goals.

97. Speakers expressed appreciation for the UNICEF role in UNGEI and requested its further clarification. Advocacy and exchange of knowledge in the context of UNGEI should be carried out in all UNICEF partner countries, not only in those with sector-wide processes. One delegation requested more emphasis on girls' education.

98. It was said that the strategy should reflect the new aid agenda and the move away from individual projects to a more strategic sectoral approach. It should focus on organization-specific, results-based planning and reporting, specifying how this would be done, and elaborate on modalities for funding. It should indicate potential areas of conflict in programming.

99. Delegations supported the emphasis on improved quality in education, and requested further emphasis on education for disadvantaged groups, specifically girls and children from economically and socially deprived communities.

100. Education in emergencies was recognized by a number of delegations as an essential element. Such education should be seen as a protection mechanism for children and extend in the longer term to education for peace building. The Minimum Standards for Education in Emergencies, Chronic Crises and Early Reconstruction of the Inter-agency Network for Education in Emergencies should be reflected in the strategy. The UNICEF role in education in fragile States needed to be clearly defined, as did its work on social protective measures for children through education.

101. A delegation stressed the importance of considering the rights of the child up to the age of 18 years as well as technical and vocational education for adolescents.

102. Several delegations requested a timetable for the development of the strategy, with key milestones indicated.

103. The Director said the comments would guide the consultative process, due to begin as soon as possible, following presentation of the timeline to the Bureau.

J. Private Sector Division work plan and proposed budget for 2006

104. The Director a.i. of the Private Sector Division (PSD) presented the report (E/ICEF/2006/AB/L.2). Two delegations commended PSD and the National Committees for UNICEF for the excellent results in 2005. While it was acknowledged that these results were strongly influenced by the tsunami emergency, as stated, satisfaction was expressed over the rising trend in gross proceeds from fund-raising as well as from sales of cards and products.

105. PSD was also commended for the inclusion of volume figures and income trends, which increased the transparency of the report. Comments were also made on the use of provisional sales and income figures, which seemed somewhat optimistic and often were lowered in the final reports.

106. The Director a.i. expressed appreciation for the favourable comments on the increased transparency of the reports. PSD was aware that the card business currently was stable and not growing strongly. However, the business still delivered $55 million-$60 million in regular resources for UNICEF programmes and had significant advocacy value, since 118 million cards reached consumers. Also, PSD had taken new initiatives, such as the partnership between the United States Fund for UNICEF and Hallmark, to widen distribution of UNICEF cards and would continue to look into potential partnerships.

107. With respect to investment funds, one delegation commented that the past strategy aimed to generate regular resources only, while the current one seemed also to include thematic fund-raising for other resources. The Director a.i. responded that investment funds were being used in thematic fund-raising and for field offices only in high-potential countries, and the amounts would eventually

convert into regular resources contributions. Also, the investment in the HIV/AIDS campaign was expected to generate long-term income of $350 million.

108. Responding to questions on increases in costs for travel and consultants, the Director a.i. said that these costs are used exclusively to drive new revenue in high-potential markets such as China and India and were expected to pay off in the long term.

109. The Executive Board approved the budget and medium-term plan (see chapter III, decision 2006/5 for the decision).

K. Pledging event

110. The Executive Director opened the seventh pledging event by stating that UNICEF greatly appreciated the confidence in the work of UNICEF shown by Governments, National Committees for UNICEF and the private sector, as seen in the unprecedented response to emergencies in 2005. To achieve the targets of the MTSP and the Millennium Development Goals, UNICEF required a strong and reliable core income base, for which regular resources were the most important source of income. While more Governments recognized the importance of core financing for UNICEF activities, regular resources had not achieved the level of growth achieved by non-core resources, with the result that in 2005, the proportion of regular resources to other resources was estimated to be 30 per cent to 70 per cent. Nevertheless, for the fourth consecutive year, UNICEF had achieved an increase in the level of regular resources from Governments, with the preliminary total reaching $460 million, an increase of $22 million over 2004.

111. Including the pledges received prior to the event, the secretariat received 42 pledges amounting to $257.5 million. This represented an increase of 0.7 per cent from last year's level of $255.7 million, pledged from 50 Governments, and corresponded to 55 per cent of the target set in the financial medium-term plan, which was $469 million. Despite the strengthening of the United States dollar against other major currencies, most major donor Governments had increased their contributions. In terms of percentages of increases, Croatia was the number one donor, increasing its pledge in local currency by 19 times compared with last year. New Zealand and the Russian Federation doubled their regular resources pledges compared with last year, from 2.2 million New Zealand dollars and $500,000, respectively. Australia increased its pledge by 2.5 million Australian dollars, Austria by 100,000 euros, Finland by 350,000 euros, France by 4.1 million euros, Luxembourg by 270,000 euros, Republic of Korea by $400,000 and Sweden by 40 million Swedish kroner.

112. Ten countries - Belgium, Denmark, Finland, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland and Sri Lanka - indicated multi-year pledges. As in years past, several major donors were not in a position to pledge due to incompatibility in fiscal years.

L. Other matters

Presentation on Ending Child Hunger and Undernutrition Initiative

113. The Director, Programme Division, explained how this joint initiative, currently in the planning stage, was conceived with WFP to overcome the lack of progress on Millennium Development Goal 1, target 2, to halve between 1990 and 2015 the proportion of people who suffer from hunger. The global effort, to encompass a wide array of partnerships, would aim to address hunger as an urgent development priority, helping countries to identify, assess, analyse and implement programmes and policies to meet national and international goals regarding hunger and undernutrition. Links would also be made to progress on other Millennium Development Goals and focus areas of the MTSP. Provisional plans are under way to launch the initiative at the July 2006 meeting of the Group of Eight (G8) industrialized countries.

114. One delegation asked for a progress report to be given at the annual session and expressed satisfaction that a similar information-sharing was being envisaged for the WFP Executive Board. The numerous new initiatives of this type being introduced should not blur the framework of the MTSP or overburden the core work of the participating funds and programmes. A clear assessment was needed of the rationale of such initiatives and as well as the division of labour and accountabilities. Transfer costs needed to be placed into a rational framework. A second delegation noted that WFP had taken a decision on this initiative and asked that UNICEF keep the Board informed about the issue, adding it for consideration at the annual session.

Presentation on the role of UNICEF in the response to a potential avian influenza epidemic

115. The Director of the Office of Emergency Programmes said that the world currently faced a disaster of uncertain proportions. In addition to becoming infected, people were already being affected by the loss of income from poultry-rearing and from the loss of an important source of nutrition for children. It also appeared that children were especially vulnerable to the disease: in Turkey, 90 per cent of the deaths were among children. In communications, it was critically important to distinguish between avian influenza and human influenza to maintain accurate tracking of the disease.

116. The role of UNICEF in responding to the threat encompassed several elements. First, UNICEF would work through the wider United Nations system, which had already begun to gear up for the response. UNICEF would rely on its comparative advantages in communication, vaccination and in assisting Governments at national, and especially subnational and community, levels.

117. The organization would concentrate its contribution in several areas, including partnership with Governments; communication for behavioural change and media relations; vaccine procurement and distribution, should this become necessary; and a strong presence at national and subnational levels.

118. Currently, emphasis was on the containment phase, halting the spread of avian flu among birds, and preventing its transmission to humans. The aim was to achieve four strategic results. The first was prevention. The communications component of prevention included communication for behavioural change to reduce the risk of exposure to avian flu; improving the reporting of sick birds; ensuring responsible reporting by the media; and emphasizing 'what one person can do' to respond to the threat. The health and nutrition component of prevention included assessing the impact of culling birds on the families of poultry farmers; vaccination if possible; and addressing surge capacity.

119. The second strategic result was preparedness to respond. This involved supporting national authorities in their own preparedness measures, the stockpiling of medical supplies as necessary, and the identification of possible needs in surge capacity. UNICEF had to develop appropriate preparedness plans at all levels and for all possible scenarios.

120. Third, UNICEF had to take measures to ensure the continuity of its programmes even in the event of a human pandemic. Accordingly, preparedness plans would need to consider potential travel restrictions, closed borders and staff working from remote locations as well as the identification of essential staff and programmes.

121. Finally, UNICEF had to ensure staff safety and security. This would be part of the United Nations-wide contingency plan and involve training at all levels.

122. UNICEF would operate on several guiding principles, similar to those used in any emergency. First, the organization would work in partnership with national and local governments, as well as with partners inside and outside the United Nations system. UNICEF would be results- and systems-oriented, and would apply a rights-based approach to ensure that even the most remote rural areas were reached with interventions.

123. The next steps would involve four key areas: communication for action; procurement services, vaccines and medical supplies; emergency preparedness; and decentralized training.

124. The representative of Turkey gave an update on the country's latest prevention and response measures and the estimated numbers of people affected, emphasizing the importance of capacity-building for affected countries.

Presentation on the United Nations study on violence against children: camel jockeys

125. Deputy Executive Director Rima Salah gave a brief update on the United Nations Study on Violence against Children, sharing one concrete example from the field: work with the United Arab Emirates and other countries in protecting child camel jockeys. A short film was shown on the repatriation of some of these children to Pakistan.

126. The representative of Pakistan stressed that the issue was of major concern to his Government and that steps were being taken, in collaboration with UNICEF, to avoid similar incidents. Poverty was mentioned as the root cause. Another delegation said that violence prevention was a priority for Central America and that, in particular, the plight of trafficked women and children, but also of migrants, needed special attention. Work at the regional and national level was needed to improve the situation. A third speaker expressed support for the study and asked about the timeline for publication of the report and the children's meeting.

127. The Deputy Executive Director thanked the Government of Pakistan for its collaboration. She said that UNICEF would also intensify its efforts to prevent trafficking in Central America. She also provided information on the publication of the study report, stressing the importance of follow-up activities after the finalization of the study.

M. Closing statements by the Executive Director and the President

128. The Executive Director reaffirmed the commitment of UNICEF to maintaining strong partnerships. She expressed her gratitude to the Board for its support for the policies and initiatives considered during the session and for the successful pledging event, which had brought in nearly $257 million for UNICEF from 42 countries, an increase of around $1 million over last year. In light of the discussions on thematic funding areas, she emphasized that these areas would continue to be the proposed five themes corresponding to the focus areas of the MTSP, plus humanitarian response. It was also announced that UNICEF would strengthen the office of the joint Ombudsman for UNDP, UNFPA and the United Nations Office for Project Services by supporting an additional senior staff member, in consultation with the Global Staff Association. In closing, she thanked the President, the delegates and all present for their hard work and commitment. A special nod of appreciation was given to the outgoing Regional Director for West and Central Africa, Gianni Murzi, for his 18 years of service to the organization and his leadership.

129. The President hailed the spirit of dialogue that characterized the session. This included decision-making, which benefited from an increased level of transparency and consultation over previous sessions. He also praised the "exceptionally high" coordination among the Bureau, Board and secretariat. A particular thanks went to the Representative of Switzerland, Mr. Francois Rohner, who was attending his last UNICEF Board session after many years of service at the United Nations.

III. Decisions adopted by the Executive Board at its first regular session of 2006

2006/1. Intercountry programmes

Draft resolution 1

Regular resources programme budget estimates for the 2006-2007 biennium

The Executive Board

Decides:

(a) That a regular resources programme budget of $25,190,000 (other than the Emergency Programme Fund) is approved for 2006-2007 as per the following details:

(In thousands of United States dollars)

Headquarters	
Division of Human Resources	-
Division of Communication	4 760
Division of Policy and Planning	2 970
Office of Emergency Programmes	1 050
Evaluation Office	890
Regional Office for Europe — Geneva	600
Regional Office for Europe — Brussels	100
Office of the Executive Director	600
Office for Public partnerships	600
Programme Division	5 070
Supply Division	800
Subtotal	**17 440**
Regional offices	
Eastern and Southern Africa	1 500
West and Central Africa	1 500
Americas and the Caribbean	950
East Asia and the Pacific	950
South Asia	950
CEE/CIS and the Baltic States	950
Middle East and North Africa	950
Subtotal	**7 750**
Total	**25 190**

(b) That the budget for the Emergency Programme Fund for 2006-2007 is approved for $25 million;

(c) That the Executive Director is authorized to administer the funds in the most efficient manner under the provision for each of the funds. The Executive Director may, without further authorization from the Executive Board, transfer, if necessary, between the programme fields an amount not exceeding 10 per cent of the approved budget of the fund to which the transfer is made.

Draft resolution 2

Other resources-funded programme budget estimates for the 2006-2007 biennium

The Executive Board,

Decides:

(a) That a programme budget ceiling of $302.2 million for other resources is approved for the 2006-2007 biennium, subject to the availability of specific-purpose contributions, as follows:

(*In thousands of United States dollars*)

Headquarters	80 200
Regional offices	82 000
Intercountry programmes	140 000
Total	**302 200**

(b) That for the biennium 2006-2007, a total recommendation of $302.2 million for other resources funding is approved. If necessary, funds in excess of indicated amounts for specific programme areas and regions can be received provided that the total amount of funds received is within the approved limit.

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17 January 2006

2006/2. Biennial support budget for 2006-2007

The Executive Board,

Having considered the biennial support budget for 2006-2007, as contained in document E/ICEF/2006/AB/L.1 and Corr.1,

1. *Approves* gross appropriations in the amount of $746,794,000 for purposes indicated in the table below and resolves that the income estimates of $190,000,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $556,794,000;

Biennial support budget for 2006-2007
(In thousands of United States dollars)

Programme support:	
Country and regional office	390,257.4
Headquarters	114,364.6
Subtotal	**504,622.0**
Management and administration of the organization	242,172.0
Total gross appropriations	746,794.0
Less: Estimated income to the budget	(190,000.0)
Estimated net appropriations	**556,794.0**

2. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

3. *Decides* to reflect the centrally shared security costs mandated by the United Nations as a separate line in the UNICEF resource plan as described in chapter III of document E/ICEF/2006/AB/L.1, and *approves* the amount of $26,204,000 from the regular resources of UNICEF for the purposes of covering such costs;

4. *Decides* to establish a separation fund to cover separation and termination liabilities as described in chapter IV of document E/ICEF/2006/AB/L.1, and *approves* an allocation of $10,000,000 from UNICEF regular resources as an initial fund for this purpose, and requests UNICEF to ensure that this initiative is in line with harmonization efforts of the United Nations funds and programmes;

5. *Takes note* of decision 2004/7 (E/ICEF/2004/7/Rev.1 and E/ICEF/2004/AB/L.2) on the timing of the approval of the UNICEF biennial support budget and decision 2005/16 (E/ICEF/2005/5/Rev.1 and E/ICEF/2005/AB/L.3) on the interim support budget allocation for January 2006;

6. *Approves* an interim one-month allocation for January 2008 in the amount of $31,600,000, to be absorbed in the biennial support budget for 2008-2009;

7. *Requests* UNICEF, at the annual session of the Executive Board in June 2006, to include in the report on harmonized country programme approval procedures, to be elaborated

jointly with UNDP and UNFPA, an assessment of possible implications for the timing of the approval of the biennial support budget by the Executive Board;

8. *Welcomes* the continued improvement in results-based management and urges the Executive Director to give high priority to implementing results-based budgeting for the next biennium 2008-2009;

9. *Requests* the Executive Director to ensure that all UNICEF programme countries receive sufficient programme support, within available resources, to contribute to the achievement of the objectives established in the MTSP and the fulfilment of the Millennium Development Goals.

First regular session
19 January 2006

2006/3. Support strategy for the MTSP on health and nutrition

The Executive Board,

1. *Reaffirms* the medium-term strategic plan for 2006-2009 (MTSP) as the guiding framework for all areas of UNICEF programming;

2. *Welcomes* the UNICEF joint health and nutrition strategy for 2006-2015 as a support strategy for the MTSP and as guidance to UNICEF staff on working with programme countries to improve sustainable outcomes at the nexus of health and nutrition, taking into account the particular situation in each programme country, as well as respective national priorities and strategies;

3. *Requests* the Executive Director to ensure that UNICEF increases its efforts to further develop national capacities to improve sustainable outcomes as outlined in this support strategy for the MTSP;

4. *Requests* the Executive Director to ensure that comments on the UNICEF joint health and nutrition strategy for 2006-2015 by members of the Executive Board at its first regular session of 2006 are taken into consideration when implementing programmes of support in the area of health and nutrition;

5. *Requests* the Executive Director to monitor the impact of the MTSP support strategy on health and nutrition by the assessment process elaborated in the MTSP;

6. *Requests* the Executive Director to ensure that the process of reviewing the MTSP analyzes scientific developments and programming experience in the area of health and nutrition and ensure that its findings are taken into consideration when implementing programmes of support in the area of health and nutrition;

7. *Requests* the Executive Director to include in the support strategy for the MTSP on health and nutrition an annex outlining how the support strategy will contribute to the achievement of the MTSP focus areas and key performance indicators, and to update this annex as necessary following the agreement of subsequent MTSPs.

First regular session
19 January 2006

2006/4. Support strategy for the MTSP on water, sanitation and hygiene

The Executive Board,

1. *Reaffirms* the medium-term strategic plan for 2006-2009 (MTSP) as the guiding framework for all areas of UNICEF programming;

2. *Welcomes* the UNICEF water, sanitation and hygiene strategies for 2006-2015 as a support strategy for the MTSP and as guidance to UNICEF staff on working with programme countries to improve sustainable outcomes in the areas of water, sanitation and hygiene, taking into account the particular situation in each programme country, as well as respective national priorities and strategies;

3. *Requests* the Executive Director to ensure that UNICEF increases its efforts to further develop national capacities to improve sustainable outcomes as outlined in this support strategy for the MTSP;

4. *Requests* the Executive Director to ensure that comments on the UNICEF water, sanitation and hygiene strategies for 2006-2015 by members of the Executive Board at its first regular session of 2006 are taken into consideration when implementing programmes of support in the areas of water, sanitation and hygiene;

5. *Requests* the Executive Director to monitor the impact of the MTSP support strategy on water, sanitation and hygiene by the assessment process elaborated in the MTSP;

6. *Requests* the Executive Director to ensure that the process of reviewing the MTSP analyzes developments and programming experience in the areas of water, sanitation and hygiene and ensure that its findings are taken into consideration when implementing programmes of support in the areas of water, sanitation and hygiene;

7. *Requests* the Executive Director to include in the support strategy for the MTSP on water, sanitation and hygiene an annex outlining how the support strategy will contribute to the achievement of the MTSP focus areas and key performance indicators, and to update this annex as necessary following the agreement of subsequent MTSPs.

First regular session
19 January 2006

2006/5. Private Sector Division work plan and proposed budget for 2006

A. Private Sector Division budgeted expenditures for the 2006 season

The Executive Board

1. Approves for the fiscal year 1 January to 31 December 2006 budgeted expenditures of $105.3 million as detailed below and summarized in column II of table 7 to document E/ICEF/2006/AB/L.2:

	(In millions of United States dollars)
Commissions — field offices	1.5
Cost of goods delivered	32.0
Marketing expenditures	29.4
Support services expenditure	21.0
Investment funds	21.4
Total expenditures, consolidated	**105.3**

2. Authorizes UNICEF:

(a) To incur expenditures as summarized in column II of table 7 to document E/ICEF/2006/AB/L.2 and to increase expenditures up to the level indicated in column III of the same table should the apparent proceeds from fund-raising and/or card and gift sales increase to the levels indicated in column III, and accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the net proceeds decrease;

(b) To redeploy resources between the various budget lines (as detailed in paragraph 1 above) up to a maximum of 10 per cent of the amounts approved;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2006 approved work plan.

B. Budgeted income for the 2006 season

The Executive Board

Notes that for the period 1 January to 31 December 2006, Private Sector Division net proceeds are budgeted at $439.7 million (regular resources) as shown in column II of table 7 in document E/ICEF/2006/AB/L.2.

C. Policy issues

The Executive Board

1. *Renews* investment funds with $21.4 million established for 2006;

2. *Authorizes* UNICEF to incur expenditures in the 2006 fiscal period related to the cost of goods delivered (production/purchase of raw materials, cards and other products) for the 2007 fiscal year up to $32.7 million as indicated in the Private Sector Division medium-term plan (see table 6 of document E/ICEF/2006/AB/L.2).

D. Medium-term plan

The Executive Board

Approves the Private Sector Division medium-term plan as reflected in table 6 to document E/ICEF/2006/AB/L.2.

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